



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-2766
PHONE: (213) 974-8301 FAX: (213) 626-5427

October 20, 2006

TO: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe *[Signature]*

FROM: J. Tyler McCauley *[Signature]*
Auditor-Controller

SUBJECT: **BARBOUR AND FLOYD MEDICAL ASSOCIATES CONTRACT
COMPLIANCE REVIEW – MENTAL HEALTH SERVICE PROVIDER**

We have completed a contract compliance review of Barbour and Floyd Medical Associates (Barbour & Floyd or Agency) a Department of Mental Health (DMH) service provider.

Background

DMH contracts with Barbour & Floyd, a private, for-profit, community-based organization, which provides services to clients in Service Planning Area 6. Services include interviewing program participants, assessing their mental health needs, and developing and implementing a treatment plan.

Our review focused on approved Medi-Cal billings where at least 35% of the total service cost was paid using County General Funds. The Agency's headquarters is located in the Second District.

DMH paid Barbour & Floyd between \$1.80 and \$4.32 per minute of staff time (\$108.00 to \$259.20 per hour). DMH contracted with Barbour & Floyd to provide approximately \$2 million in services for Fiscal Year 2005-06.

Purpose/Methodology

The purpose of the review was to determine whether Barbour & Floyd provided the services outlined in their contract with the County. We also evaluated whether the

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Agency achieved planned service levels. Our monitoring visit included a review of a sample of Barbour & Floyd's billings, participant charts, and personnel and payroll records. We also interviewed staff from Barbour & Floyd and interviewed a sample of participants or their parent/guardian if the participant is a minor.

Results of Review

Barbour & Floyd did not always maintain sufficient documentation to support their billings to DMH or provided the services required by the County contract. The Agency also did not maintain effective controls to detect billing discrepancies. As a result, the Agency over billed DMH \$3,910. For example, we noted the following:

- The Agency did not provide documentation to support 1,200 minutes (16%) of the 7,348 minutes sampled.
- The Agency did not detect 305 minutes in which DMH paid the Agency twice for the same minutes.
- The Agency did not sufficiently document 1,605 (22%) of the 7,348 service minutes sampled.
- The Agency did not complete the Client Care Plans for 4 (17%) of 23 participants sampled in accordance with the County contract or document informed consent for 2 (20%) of 10 participants sampled who received Medication Support Services.
- The Agency experienced significant variances in the types of services provided without prior written authorization from DMH. Specifically, the Agency exceeded its contracted service units by 87% for Mental Health, 47% for Medication Support, and 438% for Socialization services. In addition, the contractor provided 75% less units of service than contracted for Day Rehabilitation Program services.

We have attached the details of our review, along with recommendations for corrective action.

Review of Report

We discussed the results of our review with Barbour & Floyd on August 16, 2006. In their attached response, the Agency generally agreed with the results of our review and described their corrective actions to address the findings and recommendations contained in the report.

We thank Barbour & Floyd management for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

- c: David E. Janssen, Chief Administrative Officer
- Dr. Marvin J. Southard, Director, Department of Mental Health
- Dr. Jack Barbour, Co-Director, Barbour and Floyd Medical Associates
- Dr. Reta Floyd, Co-Director, Barbour and Floyd Medical Associates
- Public Information Office
- Audit Committee

**COUNTYWIDE CONTRACT MONITORING REVIEW
FISCAL YEAR 2005-2006
BARBOUR AND FLOYD MEDICAL ASSOCIATES**

BILLED SERVICES

Objective

Determine whether Barbour and Floyd Medical Associates (Barbour & Floyd or Agency) provided the services billed in accordance with their contract with Department of Mental Health (DMH).

Verification

We judgmentally selected 7,348 minutes from 126,071 service minutes of approved Medi-Cal billings to DMH where at least 35% of the total service cost was paid using County General Funds. We reviewed the Progress Notes, the Assessments, and the Client Care Plans maintained in the clients' chart for the selected billings. The 7,348 minutes represent services provided to 23 program participants. We also reconciled an additional 820 minutes to the clients' charts. The additional minutes related to multiple billings for the same client for the same services on the same day.

Although we started our review in April 2006, the most current billing information available from DMH's billing system was September and October 2005.

Results

Barbour & Floyd over billed DMH for 1,275 (17%) minutes. The amount of the over billings totaled \$2,924. Specifically, we noted the following:

- The Agency did not provide documentation to support 1,200 minutes.
- The Agency billed 75 minutes at a rate higher than the contract allows. Specifically, the Agency billed DMH for Crisis Intervention but the procedure code and service described in the Progress Notes indicated that the Agency provided Mental Health Services.

In addition, the Agency did not maintain effective controls to detect billing discrepancies. For example, Barbour & Floyd did not detect 305 minutes in which DMH processed the same minutes twice. The amount over paid for these minutes totaled \$986.

Barbour & Floyd also did not sufficiently document 1,605 (22%) of the 7,348 service minutes sampled. For example, we noted the following:

- The Agency billed 660 minutes for Targeted Case Management Services in which the Progress Notes did not describe linkage, consultation or placement services, as required.
- The Agency billed 435 minutes for Mental Health Services in which the Progress Notes did not describe what the client or service staff attempted and/or accomplished towards the client's goal(s).
- The Agency billed 390 minutes for Medication Support Services in which the Progress Notes did not describe prescribing, administering, dispensing and monitoring of psychiatric or biological medications necessary to alleviate the symptoms of mental illness. In addition, the Progress Notes did not indicate that the client was questioned about side effects, response to medication, and medication compliance, as required.

Client Care Plans

Barbour & Floyd did not complete the Client Care Plans for four (17%) of 23 participants sampled in accordance with the County contract. Specifically, we noted the following:

- Two charts did not contain Client Care Plans for each type of treatment provided.
- One Client Care Plan did not contain observable and/or quantifiable goals.
- One Client Care Plan was not signed by the participant or legally responsible adult.

The Client Care Plan establishes goals and interventions that address the Mental Health issues identified in the client's Assessment.

Informed Consent for Medication

Barbour & Floyd did not document informed consent for medication for two (20%) of ten clients sampled. Informed consent for medication is required on an annual basis and when medication changes, and is a process in which the client agrees to a proposed course of treatment based on receiving clear, understandable information about the treatment's potential benefits and risks.

Recommendations

Barbour & Floyd management:

- 1. Enhance controls to detect and correct billing errors.**
- 2. Repay DMH \$3,910 for the amounts over billed and over paid.**

3. Maintain sufficient documentation to comply with contract requirements for the services billed to DMH.
4. Ensure that Client Care Plans contain specific and quantifiable goals and ensure that they are developed for each treatment provided and signed by the client.
5. Ensure that informed consent is documented in the client's chart each year or when medication changes.

CLIENT VERIFICATION

Objectives

Determine whether the program participants received the services that Barbour & Floyd billed DMH.

Verification

We interviewed five clients to confirm that they were participants of the Barbour & Floyd and that they received the services that the Agency billed DMH.

Results

The program participants interviewed stated that they received services from the Agency and that the services met their expectations.

Recommendation

There are no recommendations for this section.

STAFFING LEVELS

Objective

Determine whether the Agency maintained the appropriate staffing ratios for applicable services.

We did not perform test work in this section, as the Agency does not provide services that require staffing ratios for this particular funding program.

STAFFING QUALIFICATIONS**Objective**

Determine whether Barbour & Floyd treatment staff possessed the required qualifications to provide the services.

Verification

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for 17 of 25 Barbour & Floyd treatment staff for documentation to support their qualifications.

Results

Each employee in our selected sample possessed the qualifications required to deliver the services billed.

Recommendation

There are no recommendations for this section.

SERVICE LEVELS**Objective**

Determine whether Barbour & Floyd's reported service levels varied significantly from the service levels identified in the DMH contract.

Verification

We reviewed the Cost Report submitted to DMH by Barbour & Floyd for Fiscal Year 2004-05 and compared the dollar amount and billed units of service to the contracted units of service identified in the contract for the same period.

Results

Barbour & Floyd operated within its contracted amount of \$2.1 million. However, the Agency significantly deviated from contracted service levels without prior written authorization from DMH within specific service categories. Specifically, the Agency exceeded its contracted service units by 188,000 (87%) for Mental Health, 64,000 (47%) for Medication Support, and 2,300 (438%) for Socialization services. In addition, the contractor provided 1,500 (75%) less units than contracted for Day Rehabilitation Program services. Agencies are required to request prior approval from DMH to ensure that the County authorizes all changes in contracted mental health services.

Recommendation

6. Barbour & Floyd's management obtain written authorization from DMH prior to deviating from contracted service levels.

BARBOUR & FLOYD MEDICAL ASSOCIATES

2610 Industry Way, Suite A
Lynwood, CA 90262

Phone: (310) 631-8004
Fax: (310) 631-5875

October 3, 2006

J. Tyler McCauley, Auditor – Controller
Countywide Contract Monitoring Division
Los Angeles County Department of Auditor –Controller
1000 S. Fremont Ave., Unit 51
Alhambra, CA 91803-4737

RE: Barbour & Floyd Medical Associates Contract Compliance Review Response

Dear J. Tyler McCauley,

This letter is in response to the Contract compliance review that occurred April 11-13, 2006 for the Barbour & Floyd Medical Associates / ACT Program.

We appreciated the efficiency and professionalism with which the auditor controller staff conducted the contract compliance review.

The agency is pleased to note that in the areas of Client verification, staffing levels and qualifications there were no recommendations from the auditor – controller staff.

Below are listed the Auditor - Controller recommendations and the agency's plan to address the recommendations.

In the category of Billed Services:

1. Enhance Controls to detect and correct billing areas.
During the first quarter of FY 2005 - 2006 Barbour & Floyd Medical Associates began implementing policies and procedures to enhance the agency's controls to detect & correct billing errors prior to its submission to the agency IS Department for input in to the IS system. One of the key staff persons for implementing the policies at the Program level was on medical leave during September and October 2005 (the billed claims subject to review) The temporary staff person did not follow the policies.
2. Repay DMH for the amounts over billed and over paid.
The agency has voided the identified over billed claims in the IS system.
3. Maintain sufficient documentation to support it's compliance with contract requirements for the services billed to DMH.
Additional staff training on the DMH documentation standards will be conducted with the Barbour & Floyd Medical Associates staff providing services to clients. Supervisory staff will review random samples of each staff person's notes to monitor documentation standards and develop employee performance goals. The agency Quality Improvement staff will monitor charts reviewed to ensure corrections are completed in a timely manner.

October 3, 2006

4. Ensure the Client Care Plans contain specific and quantifiable goals. Also, ensure that they are developed for each service provided and signed by the client.

Currently, Barbour & Floyd Medical Associates reviews each client case in terms of service needs and planning in it's "window" month during scheduled clinical meetings. Program staff will be instructed to bring completed CCP documents back to the clinical meeting for review & approval to ensure that goals are developed for each planned service, that developed goals are specific, quantifiable and that CCP is signed by the client or there is a statement explaining why the client was unable/unwilling to sign the CCP.

5. Ensure that the informed consent is documented in the client's chart each year or when medication changes.

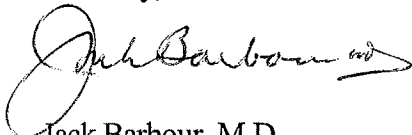
Annual dates for the Informed Consent will be added to the existing tracking system for other required annual documents. During the "window" month psychiatrists will be reminded (via memo & during clinical meeting) of annual informed medication consents that are due. A memorandum has been sent to agency psychiatrists reinforcing the need to obtain the clients signed informed consent whenever medications are changed.

In the category of Service Levels:

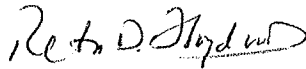
6. Barbour & Floyd's management obtain written authorization from DMH prior to deviating from contracted service levels.

Barbour & Floyd Medical Associates management will comply with requests regarding variations in negotiated service levels.

Sincerely,



Jack Barbour, M.D.
Co-Director



Reta D. Floyd, M.D.
Co-Director